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Brand Origin Guess: Situational Effects Versus Individual Effects

Djavlonbek Kadirov*
Victoria University of Wellington, New Zealand

Ahmet Bardakcı
Pamukkale University, Türkiye

Tamer Baran
Pamukkale University, Türkiye

*Corresponding author: djavlonbek.kadirov@vuw.ac.nz

Abstract

In the context of brand origin knowledge becoming increasingly complex, dynamic, and contextual, cognitive processes of guessing (versus knowing) become prevalent. The authors define guessing as the application of uncertain information to a goal-directed activity (e.g. brand origin identification) that results in a variable outcome. The study shows that although guessing is primarily situational, it is affected by inter-individual differences beyond and above the identified situational effects. Employing the situations-within-individuals setup, the hierarchical linear model indicates that situational and individual measures of brand use, brand quality, country knowledge and country development perceptions differentially impact guessing. The combination of these effects give rise to four types of cross-level transitions: deactivation, activation, cancellation, and amplification.

Keywords: *Brand origin knowledge; Brand origin recognition; Country-of-origin; Guessing*

Introduction

It is becoming increasingly difficult for consumers to assess the true origin of brands (Balabanis and Diamantopoulos 2008; Magnusson, Westjohn and Zdravkovic 2011; Usunier 2006). In the context of these changes, two important academic debates ensued regarding country-of-origin (COO) knowledge. Researchers debated whether the "true" brand origin is fact-based (Johansson et al. 1985) or perception-based (Thakor and Kohli 1996) and whether brand origin knowledge is critical or inconsequential for consumers' brand evaluation (Diamantopoulos et al. 2019; Herz and Diamantopoulos 2017; Balabanis and Diamantopoulos 2011). Our reading of this literature shows that, irrespective of the content of the debates, most researchers tend to agree that brand origin knowledge is increasingly becoming complex, indeterminate, and situational. Hence, a refreshed look at cognitive processes of knowledge creation as well as dynamics of fact-to-knowledge transfers is needed.

Also, previous research considered antecedents (Balabanis and Diamantopoulos 2008; Samiee, Shimp, and Sharma 2005) and consequences (Balabanis and Diamantopoulos 2011) of consumers' COO evaluations. There appears to be a gap in this body of research with regard to the character of brand origin knowledge that accounts for knowledge indeterminacy, dynamism, and contextuality. Previous research primarily maintains the assumption that brand origin knowledge is an individual trait, which is relatively stable and constant. For example, Balabanis and Diamantopoulos (2011) assess the consumer's personal brand origin (mis)classification ability. In this article, although we use comparable brand origin identification tasks, we propose a conceptual switch from personal "ability" to situational guess activity. Accordingly, we argue that guessing (versus knowing) is more likely to underscore brand identification practices, because guessing is considered to be a typical response to situations characterised by complexity, dynamism and indeterminacy (Byrnes and Beilin, 1991; Fay and Klahr, 1996). In contrast to "knowledge" that implies the existence of certain information as well as a personal trait, "guessing" implies a situational practice in the context of either uncertain information or the lack of key identifying information. More precisely, guessing refers to the application of uncertain information to a goal-directed activity (e.g. brand origin identification) involving a variable outcome. At the least, the outcome can be dichotomous, i.e. failure or success.

Moreover, guessing is an inherently situational/contextual practice. Therefore, we conceptualise a hierarchy of effects, whereby a situational context is subsumed within an inter-individual context. Following Magnusson et al.'s (2011) approach, we see the consumer as the unifying locus of a multiplicity of situational guess attempts. Hence, there are at least two levels of brand origin judgement: the situational level at which guessing attempts occur sporadically, and the individual level at which individual differences determine the character of the judgments. In this article, we show that confounding effects from different levels (i.e. situational versus individual) complicate the whole context of brand origin identification. We show that guessing is associated with the combination of situational factors (to a large extent) and individual traits (to some extent). This combination entails four types cross-level transition effects: deactivation, activation, cancellation, and amplification.

Literature Review

Brand Origin Identification Complexity

The extant research on brand origin knowledge is underscored by the debate on the relevance of COO knowledge to consumers' brand evaluation and purchase decisions (Diamantopoulos et al., 2019; Herz and Diamantopoulos, 2017; Balabanis and Diamantopoulos, 2011). The major point of criticism in the debate appears to be the tacit assumption that all consumers harbour COO knowledge of some form and uniformly respond to brand origin cues (Diamantopoulos et al., 2019). In the current research, we would like to draw the attention of researchers to another key point: the nature of COO knowledge. The assumption that consumers develop and harbour invariant knowledge on brand origin is being increasingly challenged by recent evidence. To highlight the importance of considering cognitive processes of *guessing* versus those of *knowing*, we argue that brand origin knowledge is increasingly becoming complex, fluid, indeterminate, and situational.

It seems that the clear pattern of a specific well-known brand representing a single country, as was envisioned first by Dichter (1962), has become a thing of the past. A number of macro-environmental trends such as globalisation, e-commerce, strategic alliances, multinational manufacturing, global branding, and the changes in WTO regulations turned brand origin identification into a complex task (Herz and Diamantopoulos, 2017; Usunier 2006). Moreover, culture, symbolism, writing styles and linguistic factors (e.g. diglossia) complicate brand recognition as well as COO attribution (Kadirov et al., 2018). Furthermore, new developments in firms' branding practices are increasingly shifting the ground beneath the classic COO based branding edifice. Although firms offer both transparent and non-transparent cues in markets to guide consumers regarding their brands' origin (Thakor and Kohli, 1996; Zhou et al. 2010), in practice the true origin of a brand has become difficult to identify, as brands now are designed, manufactured in or sourced from different countries (Insch, 2003; Li et al., 2000; Quester et al., 2000; Insch and McBride, 2004; Chao, 2001; Pharr 2005; Jin et al. 2006). In addition, the cross-country ownership of brands and the strategic use of brand origin cues complicates the task of correct identification (Thakor and Kohli, 1996; Aaker and Joachimsthaler 1999; Shimp et al. 2001). In some circumstances the same brand name can be applied to different products in different countries (Nebenzahl 1998; Samiee 1994). The labels that include the words such as "designed in", "engineered in" and "parts supplied by" in addition to "made in" or "assembled in" exacerbate consumer confusion (Samiee, 1994; Phau & Prendergast 2000). Further, some marketers may choose to de-emphasise brand origin, specifically, if the brand is linked to countries perceived to have low quality manufacturing (Usunier 2006; Samiee, 2010). In some cases manufacturers conceal their origin roots by suggesting foreign-sounding brand identity elements (Melnyk, Klein & Völckner, 2012; Srikatanyoo & Gnoth, 2002; Bardakcı & Akıncı, 2014). Scholars argued that accurate product origin knowledge, in the sense of a single country representing a brand, is increasingly becoming irrelevant, as brands can proactively manipulate brand origin knowledge (Liefeld, 2004; Pharr, 2005; Usunier, 2006; Phau and Chao, 2008; Samiee, 2010).

Conceptual and methodological challenges that researchers faced investigating and measuring brand origin knowledge attest to the complexity of the concept. It must be noted that a number of researchers maintain the existence of an objective fact that brand origin is equal to the location of the firm's headquarters (Johansson et al., 1985; Samiee 1994; Thakor and Kohli 1996; Liefeld 2004; Samiee et al., 2005; Balabanis and Diamantopoulos 2008). From this perspective, brand origin is defined as "the country a brand is associated with or the

headquarters of where the brand's owner is perceived to be located, regardless of where it is manufactured" (Samiee et al., 2005, p. 382). Researchers proposed to measure "brand origin knowledge" as the consumer's capability to correctly identify the fact-based COOs for a sample of selected brands (Shimp et al. 2001). For instance, the BORA (brand origin recognition accuracy) framework focused on the final outcome of the complex knowledge construction process (Samiee et al. (2005) by offering a temporal snapshot index of a proportion of the individual brand-related COO facts transforming into definite consumer knowledge. However, transformation of fact into knowledge is not a straightforward process. The complexity lies in contextual factors, temporal dynamism, and complex cognitive mechanisms which underlie the extended process of the fact transforming into the definite and invariant consumer knowledge (Lee et al., 2016). Samiee et al. (2005) highlighted two cognitive processes, categorisation and diagnosticity, which tend to underscore how consumers utilise the brand origin fact. However, they note that not all consumers are equally motivated to seek correct brand origin facts to categorise or evaluate brands (Samiee et al. 2005). In this context, the learning process appears to be at best contextual.

Researchers criticising the fact-based approach attributed brand origin knowledge to individual perception. While defining brand origin as "the place, region or country to which the brand is perceived to belong by its target consumers" (Thakor and Kohli, 1996, p.27-28), these researchers argued that what matters is "brand origin" as perceived or experienced by consumers. They maintained that that the true brand origin fact would be very difficult to determine (Liefeld, 2004; Magnusson et al., 2011). This may happen because of intractability of required knowledge as well as dynamism of consumers' knowledge construction (Ulgado and Lee, 1993; Chao, 2001; Baker & Ballington, 2002; Usunier (2006); Josiassen & Harzing, 2008; Aiello et al., 2010; Nagashima, 1977; Dinnie, 2004). However, consumers may not give up on brand origin cues just because the true fact is untraceable (Herz and Diamantopoulos, 2017). There appears to be a gap between brand origin identification practices (including conscious and subconscious processes) and these practices transforming into an invariant consumer perception. As it is the case for the extended process of fact-to-knowledge transformation, we believe that one must examine the impact of contextual factors, temporal dynamism, and complex cognitive mechanisms on the extended process of practice-to-perception transformation.

All in all, the proponents of the fact-based approach and its opponents disagree regarding the nature of brand origin knowledge, while basically agreeing that the process of knowledge construction is fluid, dynamic, and indeterminate. Moreover, these two groups tend to agree that brand origin identification ends up transforming into a stable consumer trait, which is labelled as brand origin knowledge in the former approach or brand origin perception in the latter one. We submit that researchers overlooked another key aspect of the issue, that is, the situational nature of brand origin identification. The essence of the problem transforms radically if we switch the unit of analysis from "individual" to "situation". The *situation*, a consumer-brand encounter is not an isolated event. It is linked to many similar situations the customer comes across at any given period of time. Hence, the characteristics of the situation (rather than those of the individual) come to the forefront in such contexts. From this perspective, brand origin identification would require situational estimation, i.e. guessing.

Brand Origin Guess

Guessing as a situational cognitive process

Guessing is a key cognitive process often juxtaposed against knowing (Fay and Klahr, 1996; Miscione et al. 1978). From the perspective of science philosophy, the role of guessing (i.e. conjectures, approximations, estimations, hypotheses) is considered to be primary in knowledge construction. Karl Popper (1962) maintained that most human knowledge is the result of guesswork: "we do not know, we can only guess" (p. 152). In particular, educated guessing appears to be a fundamental skill necessary for solving real life problems which may only require moderately accurate solutions (Mahajan 2010). The Oxford dictionary highlights two meanings of guessing a) "to try and give an answer or make a judgement about something without being sure of all the facts" and b) "to find the right answer to a question or the truth without knowing all the facts" (Hornby, 2000, p.571). Hence, guessing is activated when the situation is fluid, complex and indeterminate. It is largely a "hit-and-miss" process that in some cases may by chance turn the right answer, while in most cases resulting in incorrect answers. Recent neural research shows that neural mechanisms activated during guessing is akin to the condition of a person facing a free choice (Bode et al., 2013). While free choice involves considering several equally likely alternatives, the analogy indicates that guessing involves considering equally likely knowledge bits.

Guessing and knowing are seen as two distinct psychological processes (Fay and Klahr, 1996; Miscione et al. 1978). Research in developmental psychology showed that people, from very young age, can distinguish between these two cognitive operations (Fay and Klahr, 1996; Sodian et al. 2006). Miscione et al. (1978) synthetise three criteria which can be used to differentiate between knowing and guessing: prior information, cognitive processes, and the outcome of a goal-directed activity. Accordingly, to "know" something implies the prior existence of key information, which if cognitively applied to a specific goal-directed activity must result in a "successful" outcome. For example, to know the brand's origin the person should possess the right information about the brand which would consistently lead the person to return the right answer regarding the brand's true origin. In contrast, to "guess" implies the prior existence of uncertain information or the lack of key identifying information, which when applied to a goal-directed activity (here brand origin identification), returns a variable outcome. In this case, the person may or may not be able to identify the brand's true origin.

While knowing implies a stable, determinate, and straightforward choice situation, guessing is a response to situations characterised by complexity, dynamism and indeterminacy (Byrnes and Beilin, 1991; Fay and Klahr, 1996). Since most real life problems involve indeterminacy and complexity, guessing is a more ubiquitous cognitive process than one would normally think. For example, most effective mathematical solutions involve commonly accepted patterns of guessing (Mahajan 2010). Guessing is an automatic response to indeterminate situations (Fay and Klahr, 1996; Miscione et al., 1978). Guessing is activated over knowledge-based assessment when a person realises that the decision situation under focus involves insufficient information for making a required choice. Research shows that people prefer to guess irrespective of the extent of information they possess (Byrnes and Beilin, 1991; Piéraut-Le Bonniec, 1980; Fay and Klahr, 1996). Several theoretical accounts attempted to explain this counterintuitive tendency. Byrnes and Beilin (1991) proposed *the equivalence classes account* of cognitive processes to explain guessing. They argued that individuals possessing insufficient information, when choosing between alternatives, are normally expected to withhold their judgement due to the realisation that the alternatives could equally be a possibility. These individuals position these alternative in an equivalence class. However, people who cannot or

do not construct the equivalence class would tend to see one of the alternatives as preferable than the others. Thus, it is argued that guessing is activated when the equivalence class fails to materialise. The *bias toward determinacy account* proposed by Piéraut-Le Bonniec (1980) posits that individuals from young age learn to act as if indeterminate situations are akin to determinate situations. This bias allows them to make a guess all the while knowing that there is insufficient evidence to suggest that alternatives are distinct. Fay and Klahr's (1996) search-evaluation-mapping account suggests that individuals, before making a guess, would be involved in a) information search within their task environment, b) evaluate if the situation is (in)determinate, and c) map their evaluation onto their response which may or may not involve the guess reaction.

Also, researchers argued about positive versus negative effects of (in)correct guessing on learning. Although early research showed that incorrect guessing becomes ingrained in memory and that it can subsequently negatively affect learning (Forlano and Hoffman, 1937), successive research indicated that guessing can positively affect learning (Berlyne, 1954; Parlow and Berlyne, 1971; Kang et al., 2011; Kornell et al., 2009; Vaughn and Rawson, 2012). Berlyne (1954) argued that forced guessing enhances curiosity and thus enhances learning, while Parlow and Berlyne (1971) showed that guessing enhances performance in learning situations. Kang et al. (2011) argued that guessing may not improve performance, however, it would not impair it either. Kornell et al. (2009) demonstrate that incorrect guessing has a significant advantage over conventional studying in enhancing one's leaning. Vaughn and Rawson (2012) support Kornell et al.'s research showing that timing moderates the positive effect of incorrect guessing. They show that that guessing has an advantage over studying when testing is conducted immediately, while this effect is attenuated when testing is delayed.

Guessing as a part of multilevel cognitive processes

The existence of a group of consumers employing brand origin knowledge without reporting it attests to a peculiar phenomenon (Herz and Diamantopoulos, 2017). A similar phenomenon is observed in the context of learning: some people employ knowledge without being aware that they really have this knowledge (Dienes and Scott, 2005; Dienes, 2007). This phenomenon, called as unconscious knowledge by researchers, is explained by higher-order theories of consciousness (Rosenthal 2005; Lau and Rosenthal, 2011). These theories, in some cases referred to as theories of metacognition, posit that individuals harbour a higher-order mental state that maintains consciousness (or unconsciousness) of basic-level thoughts and actions. Conscious awareness refers to perceptual processes that involve "subjectivity", i.e. the aware self, about which people can report with no extra effort (Lau and Rosenthal, 2011). Unconsciousness refers to situations involving no "subjectivity" about which people are neither aware nor they can report anything (Dienes and Scott, 2005). Regressing to brand origin knowledge studies, we note that in self-report studies people are reporting about their higher-level mental state concerning whether they have used brand origin knowledge or not. The situation where someone who reports the irrelevance of brand origin knowledge, but yet the first-order evidence indicates they have actually used this knowledge indicates the existence of unconscious knowledge (Dienes and Scott, 2005; Dienes, 2007). Unconscious knowledge is known via the guessing criterion (Dienes and Scott, 2005). In other words, the guessing criterion involves the judgment that the above-average successful guessing indicates that unconscious knowledge was activated when making a guess. In summary, the above discussion shows that guessing is a situational (first-order) operation, while personal knowledge reported in most brand origin identification tests in fact refers to the higher-order mental state.

Correct guessing plays a diagnostic role (from the researcher's perspective). Correct predictions incur benefits, however, from the higher-order consciousness perspective previous accuracy may lead to inflexibility when dealing with successive tasks (Kleinsorge and Scheil, 2015). Paradoxically, it is incorrect guessing that is utilised by the consciousness to operate more effectively in such unpredictable environments. In complex situations where various tasks are engaged successively, the mental state aspires to maintain a cognitive control. Incorrect guesses lead to an increase in cognitive control, thereby minimising costs associated with inflexibility (Kleinsorge and Scheil, 2016).

Factors Affecting Situational Guessing

We note that consumers may not be prompted to deliberate on brand origin on all occasions (Samiee et al. 2005). However, in situations when they face the task of brand origin recognition in the context of consumer-brand encounter situations, they are likely to make an in-situ guess based on circumstantial evidence. Such a guess is deemed to be correct when the consumer's perception coincides with the brand's headquarters location, otherwise it is seen as incorrect. As discussed above, situational guessing has a hierarchical nature. It reflects a discrete attempt to guess the brand origin during the consumer's encounter with a brand. We maintain that such guessing is situational because many similar situations can occur during a specified period of time. Similarly, in the context of brand origin studies, a single respondent must deal with a great number of brands (Samiee et al. 2005). Consumer-brand encounters of the same individual are positioned at the lower level of the hierarchy (i.e. the first-order state of affairs where guessing is operational), while different individuals, each with their own set of guessing situations, can be positioned at the higher level (the meta-level linked to personal knowledge). Keeping the two-level hierarchy in mind, different explanations of the seemingly same factor exist depending on its level in the hierarchy. A factor can be interpreted as the characteristic of a situation at the situational level (the first-order), while the same factor can be explained differently as the trait of a person at the interpersonal level (the second-order). We indicate this difference with superscripts "s" and "t" which stand for situational factor and personal trait respectively. The factors we consider in this research are *brand use*, *brand quality*, *country knowledge*, and *country development*. Brand Use^{s}, Brand Quality^{s}, Country Knowledge^{s}, and Country Development^{s} represent situational guess factors, while Brand Use^{t}, Brand Quality^{t}, Country Knowledge^{t}, and Country Development^{t} represent individual perceptions.

Brand Use^{s} versus Brand Use^{t}

The question of whether prior brand experience influences the outcome of guessing can be addressed in two ways. First, one can focus on a specific consumer-brand encounter and investigate if the consumer's prior experience with the brand under focus influences his/her guess. Second, one can focus on consumers aggregated prior experiences with a sample of select brands and evaluate the extent to which varying levels of the personal brand experience breadth affect the outcome of guessing for the whole set of brands. The former factor, labelled as Brand Use^{s}, refers to the consumer's prior usage of a single brand under focus at the time of guessing. The latter factor, labelled as Brand Use^{t}, refers to a measure of the customer's general prior usage experience with a sample of brands.

At the situational level, the task of guessing about brand origin is influenced by factors concerning the consumer's situational relation to the brand under focus. Prior exposure to a brand including the ownership and use of this brand enhances brand recognition (Keller, 2013). Batra et al. (2000) shows that prior experience with a brand determines how the brand's local/nonlocal origin influences brand attitude. Prior experience significantly influences brand

attitude (Batra et al. 2000) that in turn will lead to increased inquisitiveness of the brand's origin. Moreover, prior brand use shifts the customer's reliance on extrinsic information cues (e.g. accurate and inaccurate perceptions in regard to brand name, corporate reputation, country-of-origin) toward more informed reliance on intrinsic cues such as directly verified information on product characteristics (Magnusson et al. 2011). This shift enhances the likelihood of making correct guesses. Conversely, inability to access intrinsic cues (e.g. the lack of prior experience with the brand) increases reliance on extrinsic cues (Manrai et al. 1998; Bredahl, 2004). In such cases, the likelihood of making incorrect guesses increases. Furthermore, the account of diagnosticity posits that the consumer's personal experience with a brand is more diagnostic. Consequently, the consumer who previously used the brand will be less likely to construct brand origin associations based on extrinsic cues such as brand name, misleading communication and stereotypical images accessible at the time of guessing (Bridges et al. 2006; Fazio et al. 1989). Prior brand use tends to make consumption less stereotypical (Tse and Gorn, 1993). Hence, if the consumer never owned or used the brand, then he/she would be more likely to be influenced by misleading extrinsic cues (e.g. stereotypical origin perceptions). This might lead a greater extent of incorrect guessing.

> H1a: Brand Use^{s} decreases the odds of incorrect guessing within a consumer-brand encounter.

We also maintain that in consumer-brand encounters, the processes of search-evaluation-mapping are activated, thus influencing the outcome of guessing (Fay and Klahr, 1996). Given the task to identify brand origin, the consumer would search the task environment including their memory for accessible clues. In the condition of prior use, which is most likely underscored by sufficient information about the brand, the situation would be evaluated as determinate. This would lead to the mapping process of expressing the correct guess. However, no prior use would more likely be evaluated as an indeterminate situation, where the mapping process of incorrect guessing is likely to occur.

On the other hand, the consumer's familiarity with all brands should be taken into account (Shimp et al. 2001; Samiee et al. 2005). Brand Use^{t} is a personal trait. Prior experience with a group of brands is conceptually distinct from prior experience with a specific brand. Even if the consumer did not know about a particular brand or failed to recognise the brand in an isolated situation, this consumer's breadth of brand experience can possibly influence the outcome of guessing above and beyond the situational effect. A person's scope of ownership defines his/her familiarity with different brands (Shapiro, 1982; Han, 1989). The consumer's brand expertise reflected in his/her brand experience breadth can additionally contribute to the decreased odds of incorrect guessing within a particular consumer-brand encounter. Moreover, a consumer with higher brand expertise is likely to perform better in a consumer-brand encounter than a consumer with a lower brand expertise.

> H1b: Brand Use^{t} decreases the odds of the consumer's incorrect guessing within a consumer-brand encounter over and above the effect of Brand Use^{s}.

Brand Quality^{s} versus Brand Quality^{t}

In addition to prior brand use, confidence concerning brand quality can have distinct hierarchy-based meanings. While evaluating a specific brand the consumer would tend to make a situational judgment about brand quality (Brand Quality^{s}), whereas at the same time the consumer would possess a certain level of brand quality knowledge (Brand Quality^{t}). In the context of a discrete evaluation, guessing about brand quality, whether this guessing being

correct or incorrect, may be instrumental in determining the outcome of guessing about brand origin in comparison to the situations where such guessing is absent. Uncertainty underlies brand quality perceptions in different markets (Han, 1989). An attempt to make a guess about quality may indicate the situational approach the consumer takes in relation to the brand under focus.

Based on the theoretical account of Byrnes and Beilin (1991), we argue that the failure to make a situational judgement about quality attests to the equivalence classes in operation. The consumer cognitively constructs a quality-related equivalence class in the situation underscored by the lack of specifying knowledge (indeterminacy) about quality. This leads to the consumer withholding their guess about brand quality. With no cue regarding brand quality in this specific situation, the customer is likely to make an incorrect guess about brand origin. To the contrary, if the equivalence class fails to materialise due to sufficient knowledge about quality (the determinate situation), then it is likely that the consumer would make a guess about brand quality. If the consumer is able to assess brand quality within this one-off evaluative attempt, he/she may successively reduce the odds of making an incorrect guess.

> H2a: Brand Quality^{s} decreases the odds of incorrect guessing within a consumer-brand encounter.

Transcending beyond the consumer's one-off quality evaluation dynamics, one can focus on the consumer's brand quality expertise. Such an expertise would be reflected in the proportion of quality judgment attempts. Even though the consumer may fail to identify the brand's quality in a specific occasion, he/she may possess general expertise regarding the quality of most brands in the sample. Such familiarity will have a negative effect on the odds of incorrect guessing.

> H2b: Brand Quality^{t} decreases the odds of incorrect guessing within a consumer-brand encounter over and above the effect of Brand Quality^{s}.

Country Knowledge^{s} and Country Knowledge^{t}

In most consumer-brand encounters, consumers have access to product labels. Hence, some may argue that the situation of identifying the correct brand origin may not be indeterminate. However, in countries where the native language is not English consumers may not always be able to correctly identify the countries, especially when product labels are written in English. Research shows that consumers living in a country where English is non-primary struggle to identify countries' names in English (Kaynak, Kucukemiroglu & Hyder, 2000). For example, the country names in Turkish significantly differ from their English form: Germany is "Almanya", Netherlands is "Hollanda", Hungary is "Macaristan", UK is "İngiltere", and USA is "ABD". Some consumers may also think that "PRC" is a different country than China. We maintain that correctly identifying the country of brand origin pertaining to the specific brand under focus in a consumer-brand encounter minimises the odds of incorrect guessing.

> H3a: Country Knowledge^{s} decreases the odds of incorrect guessing within a consumer-brand encounter.

Beyond identifying countries in isolation, the consumer may also possess general knowledge about foreign countries (Country Knowledge^{t}). According the representativeness account (Kahneman and Tversky, 1972), people make a categorical guess, i.e. probability judgement regarding which category the given object belongs to. In this they use a representativeness

heuristic. This heuristic involves assessing the extent to which the given object is "similar in essential properties to its parent population; and reflects the salient features of the process by which it is generated" (Kahneman and Tversky, 1972, p. 431). Knowledge about different countries and their names in English would allow the consumer to construct countries as categories. The consumer's expertise in developing a rich set of country-related categories and correctly assigning different brands to their correct country-of-origins would reduce the odds of incorrect guessing. For example, to guess the brand to be of Japanese origin, the consumer must know the characteristics of most brands originating from Japan. If the brand's marketing (its package, distribution, price and promotion) reflects, in the consumer's opinion, the way Japanese brands are typically marketed, then it might be guessed to be of Japanese origin. Whether the guess is correct or not would depend on the breadth of knowledge about differences among countries. Hence, it is expected that the personal expertise in correctly identifying country names will reduce the odds of incorrect guessing.

> H3b: Country Knowledge^{t} decreases the odds of incorrect guessing within a consumer-brand encounter over and above the effect of Country Knowledge^{s}.

Country Development^{s} and Country Development^{t}

The perception of different countries' development level also has two variants. In consumer-brand encounters, the consumer may or may not make an attempt to assess the given country's development level (Samiee, 1994). The lack of situational judgement about the country's development level would be a manifestation of indeterminacy, and vice versa. Hence, we believe that the existence of judgement will reduce the odds of incorrect guessing.

> H4a: Country Development^{s} decreases the odds of incorrect guessing within a consumer-brand encounter.

However, the consumer's country-based perceptions tend to vicariously acquired which are not always reliable (Samiee et al. 2005; Maheswaran 1994; Lee and Ganesh 1999; Paswan and Sharma 2004). Such perceptions are underscored by the country-halo effect that can bias the consumer's judgment (Han, 1989; Manrai et al. 1998). Research indicates that people perceive that superior products are manufactured in highly developed countries and that inferior products are manufactured in less developed countries (Manrai et al., 1998; Kaynak, Kucukemiroglu & Hyder, 2000). Consumers tend to exercise stereotyping by evaluating countries based on their perceptually constructed "development hierarchies" (Wang and Lamb 1983; Tse and Gorn 1993). Since such knowledge is perceptual, we maintain that it might lead to inconsistent guessing.

> H4b: Country Development^{t} increases the odds of incorrect guessing within a consumer-brand encounter which counteracts the effect of Country Development^{s}.

The hypothesised effect given above may sound counterintuitive, however, this is possible since strong country image perceptions may lead to sweeping generalisations (Srikatanyoo & Gnoth 2002). Such generalisations may create a perceptual bias where country development perceptions would reinforce inconsistent brand origin perceptions. On the contrary, the consumer who does not harbour strong country development perceptions may be open to dynamic brand origin variations.

Methodology

Operationalisation

Brand origin guess refers to the consumer's situational attempt to identify a brand's origin at a particular moment. This guessing attempt can be consistent or inconsistent with the brand's headquarters location. The dependent variable *Incorrect Guessing* (IG) is a binary measure: if the consumer's guess of a brand origin does not match the fact, the response is coded as (IG = 1), otherwise it is coded as (IG = 0).

The situational-level variables are the indicators that pertain to the situation. These indicators reflect the consumer's situational relation to a brand at the moment of guessing. This group includes four measures: Brand Use^{s}, Brand Quality^{s}, Country Knowledge^{s}, and Country Development^{s}. Brand Use^{s} is measured on a binary scale: it is coded as (Brand Use^{s} = 1) if the respondent indicated they used the brand previously; or as (Brand Use^{s} = 0) if the respondent reported that he/she never used the brand. Brand Quality^{s} is measured as the consumer's guess of the brand's manufacturing quality. If the respondent attempted to express a judgment regarding the brand's quality it was coded as (Brand Quality^{s} = 1). If the respondent failed to express the judgement, then it was coded as (Brand Quality^{s} = 0). Similarly, the correct guess of the country's name which was the brand's true headquarters location was coded as (Country Knowledge^{s} = 1), whereas the incorrect guess was coded as (Country Knowledge^{s} = 0). In the same vein, an attempted judgment about the country's development was coded as (Country Development^{s} = 1), whereas the lack of such judgement was coded as (Country Development^{s} = 0)

The personal level variables pertain to consumers' individual traits. This group consists of the following variables: Brand Use^{t}, Brand Quality^{t}, Country Knowledge^{t}, and Country Development^{t}. Brand Use^{t} is measured as the proportion of the number of previously used brands to the all brands included in the study. Brand Quality^{t} is measured as the proportion of the brands about which respondents made quality judgment to the all brands included in the study. Country Knowledge^{t} is the index that indicates the extent to which the consumer can correctly identify the names of the given countries' in the native language when offered the English names of these countries. To explain further, this variable represents the outcome of a test: the non-native English speakers (i.e. Turkish consumers) were given a list of different countries in English. Then they were asked to identify these countries in Turkish. The number of correct responses were used to construct the index. Country Development^{t} is measured as the extent to which the consumer can confidently identify the development levels of different countries included in the test set. In this test, the participants were asked to indicate the level of development for a number of countries.

Sampling and Data Collection

We use intercept surveys to collect data in one of the cities in the southwestern area of Turkey. This area represents a good site for drawing a sample for this study because this area offers rich variation regarding most variables. The data was collected in two waves. In the first wave, the researchers selected several prominent locations in the city for data collection. One of these locations was the second-hand car market that is regularly held on Sundays. Another location where the respondents were recruited from was the city centre area. The interviews were conducted face-to-face by one of the authors. The instrument involved 20 foreign and Turkish brands where the respondents were tested about their knowledge on these brands' country-of-origin as well as on a set of countries related to these brands. The data was collected from March to April, 2015. The second wave involved university students and academics. The face-

to-face interviews involved students, academics, or university staff intercepted within the campus area. The data was collected in May, 2015. The researchers also collected information on participants' age, gender, education, and occupation.

Modelling Methodology and Approach

Multiple guesses provided by a single individual are dependent. This must be taken into account when analysing brand origin identification results. If the hierarchical form is not accounted for, then this might lead to the misspecification of standard errors in the regression model (Raudenbush and Bryk, 2002). On the other hand, an aggregation bias occurs if discrete responses and other variables defining the situation are aggregated at the individual level. If the outcome of guessing is averaged over all consumer-brand encounters for the same person, the meaning of relevant variables will change.

The modelling approach used in this study is Hierarchical Generalised Linear Model (HGLM) with Bernoulli sampling model and the logit link (Raudenbush & Bryk, 2002). This model is selected because the dependent variable was binary and the data had a hierarchical nature. The logit link function implies that if the probability of success (here, incorrect guessing) is going to be greater than 50%, the observed odds will be greater than 1. Alternatively, the observed odds are going to be less than 1. The dependent variable in the study is IG. The model includes Level-1 situational variables (Brand Use^s, Brand $Quality^s$, Country $Knowledge^s$, and Country Developments) which are nested within individuals at Level-2 involving trait variables (Brand Use^t, Brand $Quality^t$, Country $Knowledge^t$, and Country $Development^t$). We include some control variables at Level-1 that are dummies for industry categories: fashion, automobiles, and electronics. In addition, we include another set of control variables at Level-2: age, gender, education and occupation. The final model set up was as follows:

Level 1 Model:

$$Prob(IG_{ij}=1|\beta_j) = \phi_{ij}$$

$$log[\phi_{ij}/(1 - \phi_{ij})] = \eta_{ij}$$

$$\eta_{ij} = \beta_{0j} + \beta_{1j}*(Brand\ Use^s_{ij}) + \beta_{2j}*(Brand\ Quality^s_{ij}) + \beta_{3j}*(Country\ Knowledge^s_{ij}) + \beta_{4j}*(Country\ Development^s_{ij}) + \beta_{5j}*(Fashion_{ij}) + \beta_{6j}*(Auto_{ij}) + \beta_{7j}*(Electronics_{ij})$$

Level 2 Model:

$$\beta_{0j} = \gamma_{00} + \gamma_{01}*(Brand\ Use^t_j) + \gamma_{02}*(Brand\ Quality^t_j) + \gamma_{03}*(Country\ Knowledge^t_j) + \gamma_{04}*(Country\ Development^t_j) + \gamma_{05}*(Age_j) + \gamma_{06}*(Gender_j) + \gamma_{07}*(Education_j) + \gamma_{08}*(Occupation_j) + u_{0j}$$

$$\beta 1_j = \gamma_{10}$$

$$\beta 2_j = \gamma_{20}$$

$$\beta 3_j = \gamma_{30}$$

$$\beta 4_j = \gamma_{40}$$

$$\beta 5_j = \gamma_{50}$$

$$\beta 6_j = \gamma_{60}$$

$$\beta 7_j = \gamma_{70}$$

The metric variables are centred around the grand mean. We estimate three models: a) the null model that has no predictors at both levels; b) the unit-specific conditional model based on PQL estimation; and c) the population average model. The latter two model estimates are given with robust errors. The unit-specific model provides the estimates of the effects while keeping a situation (Level 1) or a person (Level 2) constant. It answers the question of the extent to which the independent factor influences the odds of incorrect guessing for a specific situation

or a consumer. The population average model provides the estimates of the effects pertaining to the whole population of situations (Level 1) or consumers (Level 2). It answers the question of how the odds of incorrect guessing averaged for the whole population of situations or consumers would respond to a unit change in the independent variable.

Findings

Descriptives

For this sample, the respondents correctly guessed brand origin in only 21.4% of the consumer-brand encounter situations (see Table 1). Incorrect guessing involved 78.4% of the attempts. In 30.1% of these situations, the respondents' assessment involved brands which they previously owned, whereas 69.9% situations involved brands which never been used or owned by the consumers. In 68.1% of these situations the respondents could confidently estimate the quality of the brand under focus, while in the rest of the cases they withheld their guess (see Table 1). However, the general knowledge of country names was high: 85.5% of the cases were correctly identified. The same pattern can be observed regarding the knowledge about the development levels of the countries: the respondents withheld their guess in only 14.2% cases.

Table 1. Binary variables

Level 1: Situations				**Level 2: Individuals**			
Variables	*Levels*	*Cases*	*%*	*Variables*	*Levels*	*Cases*	*%*
IG	Correct Guess (0)	3030	21.6	Gender	Male	420	59.8
	Incorrect Guess (1)	11010	78.4		Female	282	40.2
Brand Use^{s}	No prior use (0)	9819	69.9	Education	UG or above	422	60.1
	Prior use (1)	4221	30.1		Everyone else	280	39.9
Brand Quality^{s}	Withheld guess (0)	4482	31.9	Occupation	Student/academic	234	33.3
	Guessed (1)	9558	68.1		Everyone else	468	66.7
Country Knowledge^{s}	Incorrect Guess (0)	2031	14.5				
	Correct Guess (1)	12009	85.5				
Country Development^{s}	Withheld guess (0)	1990	14.2				
	Guessed (1)	12050	85.8				
Total		*14040*	*100.0*	*Total*		*702*	*100.0*

At the individual level, the sample contained approximately 60% males and 40% females. The people who had at least undergraduate education made up 60.1% of the sample, whereas 33.3% of the sample were either students or academics. The average prior brand use rate (Brand Use^{t}) was about 30%, while about 68% of the sample were confident enough to be able to estimate these brands' quality (Brand Quality^{t}). The average level of country name knowledge (Country Knowledge^{t}) was 45.88%, whereas the average level of country development (Country Development^{t}) guess was 59.5%.

Table 2. Metric variables (Level 2)

Variables	N	Mean	Std. Deviation
Brand Use^t	702	0.3006	0.17553
Brand Quality^t	702	0.6808	0.27649
Country Knowledge^t	702	0.4588	.24507
Country Development^t	702	0.5950	.31177
Age	693	30.53	10.244

Model Estimates: The Null Model

We first calculate the intraclass correlation (ICC) for binomial models based on Snijders and Bosker's (1999) approach. This value shows the ratio of the level-2 variation to the total variation in the model. This value was ICC = 0.292. This indicates that 70.8% of variation in the dependent variable arises at the situational level, while 29.2% of the variation can be attributed to individual differences. Hence, the model indicates that more than 2/3 of variation in guessing brand origin is linked to situational circumstances, while less than 1/3 of can be linked to personal characteristics.

Running the HGLM model with no predictors in both levels (i.e. the null model) provides the estimate of variation in incorrect guessing for the "typical" individual. The typical individual is defined as the person with the neutral random effect (u_0= 0). Here, the unit-specific results provide the estimate of variation in incorrect guessing while keeping the typical individual constant. The model shows the expected odds of incorrect guessing of 4.73 to 1, which means that the person with a typical brand-origin-guess ability would be approximately five times more likely to provide an incorrect guess (versus correct guess). This number corresponds to the probability of 82.5% (1/(1+exp{-1.5536})), that is, the typical consumer assessing different brand origins in discrete situations would incorrectly guess with 82.5% probability, which is extremely high. Moreover, 95% of the consumer-brand encounters would have the values of B_{0j} (the probability of incorrect guessing) within the range of $\{1.5536 \pm 1.96*\sqrt{1.3600}\}$. This means the probability of incorrect guessing may range from 32.5% to 97.9% for different individuals. For some individuals the probability of incorrect guessing may be as low as 32.5%, while some individuals may exhibit nearly 98% probability. On average, these levels indicate significant variability of situational incorrect guessing among individuals.

The null model also provides the population-average results, which show the estimate of the variation for the whole population. That is, these results represent the estimation of incorrect guessing at the macro-level (i.e. society at large). The expected odds of incorrect guessing, averaged over all individuals, is 3.62. This means that, on average, consumers-as-a-group are nearly 3 times more likely to engage in incorrect guessing compared to correct guessing. This number corresponds to the probability of 78.3% (1/(1+exp{-1.2873}). In comparison to the average individual, this number indicates a relatively lower probability of incorrect guessing, although the absolute level is still very high. Estimating the probability for 95% of the population, the range is $\{1.2873 \pm 1.96*\sqrt{1.3600}\}$, which means that the probability of incorrect guessing for the whole population ranges from 26.9% to 97.2%.

Model Estimates: The Conditional Model

The conditional model includes all predictors at both levels. The model comparison test shows that it offers a significant improvement over the null model (χ^2 = 1297.94, df =7, p<0.01). The conditional model provides unit-specific and population-average estimates. These coefficients are estimated via three estimation techniques: PQL, EM Laplace-2 and Adaptive gaussian Quadrature (Raudenbush & Bryk, 2002). The PQL estimates are presented in Table 3, while

other estimates return nearly identical results. We find that in the situational context (Level-1) Brand Use^{s}, Brand Quality^{s} and Country Knowledge^{s} pertaining to specific consumer-brand encounters significantly reduce the odds of incorrect guessing, thus lending support to H1a, H2a and H3a. We fail to reject the null hypothesis of the insignificant effect of Country Development^{s} (H4a) on incorrect guessing. The odds ratios indicate that in consumer-brand encounter situations incorrect guessing is a) 1/0.40 = 2.5 times less likely to occur if the consumer had used the brand previously, b) 1/0.17 = 5.9 times less likely to occur is the consumer is able to estimate the brand's quality, c) 1/0.34 = 2.9 times less likely to occur if the consumer can identify the country's name in their local language. The odds ratios in the population-average model are not much different from the unit-specific odds. This indicates that the results pertaining to the typical situation is not much different from those of the average situation.

Table 3. Coefficient estimates (the dependent variable: Incorrect Guessing)

	Unit-specfic Model				**Population-average Model**			
	Coef	***SE (robust)***	***t-value***	***Odds ratio***	***Coef***	***SE (robust)***	***t-ratio***	***Odds ratio***
LEVEL-2 EFFECTS								
Intercept, β_0								
Intercept, γ_{00}	5.030	0.193	26.01***	152.9	4.671	0.183	25.45***	106.8
Brand Use^{t}, γ_{01}	0.251	0.288	0.87	1.28	0.215	0.263	0.81	1.24
Brand Quality^{t}, γ_{02}	0.907	0.220	4.11***	2.47	0.899	0.213	4.21***	2.45
Country Knowledge^{t}, γ_{03}	-4.106	0.576	-7.12***	0.01	-4.016	0.602	-6.67***	0.01
Country Development^{t}, γ_{04}	0.775	0.465	1.66*	2.17	0.824	0.488	1.68*	2.27
LEVEL-2 CONTROL VARIABLES								
Age, γ_{05}	-0.020	0.005	-3.85***	0.97	-0.019	0.004	-4.01***	0.98
Gender, γ_{06}	0.998	0.102	9.72***	2.71	0.954	0.098	9.69***	2.59
Education, γ_{07}	0.155	0.116	1.34	1.16	0.140	0.108	1.30	1.15
Occupation, γ_{08}	0.070	0.118	0.6	1.07	0.082	0.109	0.75	1.08
LEVEL-1 EFFECTS								
Brand Use^{s} slope, β_1								
Intercept, γ_{10}	-0.915	0.071	-12.74***	0.40	-0.845	0.067	-12.48***	0.42
Brand Quality^{s} slope, β2								
Intercept, γ_{20}	-1.761	0.111	-15.79***	0.17	-1.642	0.101	-16.25***	0.19
Country Knowledge^{s} slope, β3								
Intercept, γ_{30}	-1.058	0.217	-4.879***	0.34	-0.986	0.210	-4.67***	0.37
Country Development^{s} slope, β4								
Intercept, γ_{40}	-0.004	0.202	-0.02	0.99	-0.009	0.197	-0.04	0.99
LEVEL-1 CONTROL VARIABLES								
Fashion: Intercept, γ_{50}	-0.106	0.126	-0.84	0.90	-0.102	0.118	-0.86	0.90
Auto: Intercept, γ_{60}	-2.134	0.108	-19.63***	0.12	-1.969	0.102	-19.18***	0.13
Electronics: Intercept, γ_{70}	-0.826	0.105	-7.80***	0.44	-0.769	0.099	-7.76***	0.46

*** $\alpha < 0.01$; ** $\alpha < 0.05$; * $\alpha < 0.10$

The effect of the individual trait predictors (i.e. the Level 2 effects) appear to be different. H1b is not supported: the index of personal brand use experience does not influence the odds of incorrect guessing. An increase in brand quality knowledge, in contrast to what was expected (H2b), increases the odds of incorrect guessing by 2.47 times. This also contrasts the situational effect of brand quality. Interestingly, these results indicate that the situational guess about the brand's quality diminishes incorrect guessing, while the personal tendency to guess about brand quality intensifies incorrect guessing. H3b is supported. The level of the personal knowledge of the country names further reduces the odds of incorrect guessing. An increase in this capability for the typical consumer as well as the whole population decreases the odds of incorrect guessing by a factor of 100(!). Further, as hypothesised, the effect of the personal tendency to judge the development levels of different countries enhances the odds of incorrect guessing. The odds-ratios here are 2.17 and 2.27 for the unit-specific and the population-average models respectively. H4b is supported.

Discussion And Implications

Brand origin incorrect guessing rates

This study finds that more than the two-third (71%) of the variation in guessing is due to situational circumstances, while approximately 29% of the variation can be attributed to individual differences. This shows that guessing is to a large extent the product of situational circumstances. Although the situational effects are dominant, the individual level variation cannot be ignored: it is still significant, so it must also be taken into account. This pattern of the decomposition lends support to our assumption that brand origin guessing/knowledge has a hierarchical nature.

The probability of incorrect guessing for different situations range from 32% to 98% indicating significant variability. Similarly, the likelihood of incorrect guessing hovers between 26% and 97% within the population. In general, looking at the whole picture the combination of situational and personal circumstances involving low, medium and high guess probabilities at different levels give rise to very complex situations. Previous studies tend to simplify such complexity by aggregating guess rates over either brands or individuals. The assumption has been that brand origin identification is the constant characteristic of the whole sample. For instance, Paswan and Sharma (2004) report the correct brand origin identification rate for well-known global brands to be 84%. Liefeld (2004) finds correct identification to be at the mark 4.7%, while Samiee et al. (2005) report correct brand origin identification for the US consumers to be 49% for domestic brands and 22% for all other brands. Balabanis and Diamantopoulos (2008) find that the correct identification rate is 27% for British consumers. Hennebichler (2007) discover that the rates range between 17% and 54% for Australian consumers. In the last example, although some variation is reported, this variation pertains to consumers grouped by product categories. In contrast to these findings, the proposed model in this study accounts for individualised variation in incorrect guessing. The estimated likelihood levels pertain to individuals, not the groups.

Guessing Typology

The hierarchical guessing logic allows us to estimate four groups of guessing effects (Figure 1). In other words, each factor can potentially involve four different effects. These effects are:

- Typical situation effect (Group 1). This effect corresponds to a unit-specific effect at level 1, i.e. a change in the odds-ratio when a situation is kept constant.

- Average situation effect (Group 2). This effect corresponds to a population-average effect at level 1 , i.e. the effect is averaged over all situations.
- Typical individual effect (Group 3). This effect corresponds to a unit-specific effect at level 2, i.e. a change in the odds-ratio when an individual is kept constant.
- Societal Effect (Group 4). This effect corresponds to a population-average effect at level 2 , i.e. the effect is averaged over all individuals.

	Effects (Odds-Ratios)				Cross-level Transition Effect Types
	Situational Effects Level-1		Personal Effects Level-2		
	Group 1 Unit-Specific	**Group 2** Population-Average	**Group 3** Unit-Specific	**Group 3** Population-Average	
Brand Use Brand Quality Country Knowledge Country Development	0.40 (reduction) 0.17 (reduction) 0.34 (reduction) ns	0.42 (reduction) 0.19 (reduction) 0.37 (reduction) ns	ns 2.47 (increase) 0.01 (reduction) 2.17 (increase)	ns 2.45 (increase) 0.01 (reduction) 2.27 (increase)	**Deactivation** **Cancellation** **Amplification** **Activation**

ns = not significant

Figure 1. Cross-level transition effect types

Accordingly, brand use has four different effects on guessing. Within a typical brand-person situation, the prior use of a brand reduces the odds of incorrect guessing by 2.5 times, while the effect gets slightly stronger if the average of all situations is considered. However, brand use as an individual characteristic (or as a societal factor) does not influence the odds of guessing. The pattern of cross-level transition here is unique: the significant negative effect at level 1 turns into a non-significant one at level 2. We call this kind of cross-level transition "deactivation". The deactivation process indicates that the effect of brand use is largely situational, while aggregating situations over the individual would deactivate the effect. The "activation" cross-transition, an opposite pattern to deactivation, is observed in the effects of country development. Here, the insignificant effects at level 1 are coupled with the significant positive effects at level 2. It appears that country development knowledge is not situational. Moreover, contrary to conventional thinking, this factor tends to "activate" incorrect guessing at the individual level.

Similarly, brand quality has different effects at different levels. The cross-transition pattern appears to be that of self-cancellation. A significant reduction in incorrect guessing at level 1 is coupled with a simultaneous increase at level 2. Brand quality as a personal trait more than doubles the likelihood of incorrect guessing. Perhaps, confidence in oneself, one's general experience with products, is perception driven. Research shows that people's confidence in their personal product experience is often misguided (Hoch, 2002). The cross-transition pattern of country knowledge is "amplification". This is what is conventionally expected: the reduction in incorrect guessing at level 1 is coupled with a simultaneous reduction at level 2.

Cross-level effects (odds-ratios)	Brand Use[t]	Brand Quality[t]	Country Knowledge[t]	Country Development[t]
Brand Use[s]	ns ns	0.36 (negative) 0.40 (negative)	ns ns	ns ns
Brand Quality[s]	ns 2.33 (positive)	ns ns	ns ns	0.18 (negative) 0.22 (negative)
Country Knowledge[s]	ns ns	6.3 (positive) 5.3 (positive)	ns ns	ns ns
Country Development[s]	ns ns	0.30 (negative) 0.35 (negative)	ns ns	0.16 (negative) 0.20 (negative)

ns = not significant; ___ = own cross-level effect; the upper row = unit-specific; the lower row = population-average

Figure 2. Cross-level moderating effects

Furthermore, as an additional analysis we assessed the same model with the cross-level moderating effects (Figure 2). These effects offer some insights into the interaction between situational and individual variables. Brand use at level 1 is moderated by Brand Quality at level 2. The effect is negative, that is, the effect of situational brand use on incorrect guessing is weakened as the level of individual brand quality knowledge goes up. Similarly, the effect of situational brand quality on incorrect guessing is weakened as the level individual country development knowledge goes up. These observed patterns lend support to the view that brand quality and country development are more or less stereotypical perceptions. Figure 2 shows that individual brand quality knowledge positively affects the effect of country knowledge on incorrect guessing.

The debate on whether brand origin knowledge matters in consumption choice milieus is still relevant (Liefeld 2004; Magnusson et al. 2011; Usunier 2006). A number of scholars argued that the existing studies of brand origin knowledge failed to reflect realistic consumer brand evaluation and decision-making processes (Usunier 2006; Usunier and Cestre 2007). We partially concur with some aspects of this critique, although we think that "the baby must not be thrown out with the bathwater" (Magnusson et al. 2011). Accordingly, in this article we show that accuracy in identifying brand origin (which is at the heart of the factual perspective) is a situational phenomenon rather than an individual characteristic. Brand origin is guessed during discrete evaluative occasions; hence, accuracy must be seen as a one-off hit-and-miss attempt in an isolated situation, rather than a constant characteristic of a person or a group of people (e.g. consumer segments). Therefore, by disentangling the hierarchical nature of BOG, we make a preliminary step toward reconciling the two distinct scholar camps.

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